

**GOVERNMENT OF INDIA
MINES
LOK SABHA**

STARRED QUESTION NO:218
ANSWERED ON:14.12.2015
Mineral Concession Rules
Manjhi Shri Hari

Will the Minister of MINES be pleased to state:

- (a) the salient features of the Mineral Concession Rules;
- (b) whether the amendment to the Mineral Concession Rules restricts the mining expansion without licence renewal;
- (c) if so, the details thereof including the number of mines operating under the deemed expansion;
- (d) whether the said notification has affected the production of iron ore and steel in the country particularly in Odisha and Jharkhand and if so, the details thereof, State/UT-wise; and
- (e) whether the Government grants permission for mining in more than 40 years old mines and if so, the details thereof?

Answer

(a) to (e): A Statement is laid on the Table of the House
STATEMENT REFERRED IN REPLY TO LOK SABHA STARRED QUESTION NO.218 FOR REPLY ON 14.12.2015 REGARDING 'MINERAL CONCESSION RULES' ASKED BY SHRI HARI MANJHI

(a): The Mineral Concession Rules (MCR), 1960 have been framed under section 13 of the Mines and Minerals (Development and Regulation) Act, 1957 for regulating the grant of reconnaissance permits, prospecting licences and mining leases in respect of minerals and for purposes connected therewith. The MCR, 1960, inter-alia, provides for the following matters, namely:-

- i. the procedure for obtaining a reconnaissance permit, a prospecting licence or a mining lease and the terms on which, and the conditions subject to which, such a permit, licence or lease may be granted or renewed;
- ii. the manner of computation of royalty separately in respect of land in which the minerals vest with the Government and land in which the minerals vest in a person other than the Government;
- iii. the fixing and collection of fees for reconnaissance permits, prospecting licences or mining leases, surface rent, security deposit, fines, other fees or charges and the time within which and the manner in which the dead rent or royalty shall be payable;
- iv. the reports and statements to be submitted by holders of reconnaissance permits or prospecting licences or owners of mines and the authority to which such reports and statements shall be submitted; and
- v. the period within which applications for revision of any order passed by a State Government or other authority in exercise of any power conferred by or under this Act, may be made, the fees to be paid therefor and the documents which shall accompany such applications and the manner in which such applications shall be disposed of.

(b) to (d): Prior to 12th January 2015, State Governments were empowered to grant renewals for mining leases except coal, lignite and atomic minerals. In compliance to the judgment of the Supreme Court delivered on 21.04.2014 in WP (Civil) 435/2012 [in the matter of Goa Foundation Vs UOI & Ors], the MCR, 1960 was amended on 18.07.2014 to prohibit deemed extensions for second and subsequent renewals. However, this provision is no longer in force since 12.01.2015 the date on which the MMDR Amendment Act, 2015 amending the provision of the MMDR Act, 1957 came into force. Through the MMDR Amendment Act, 2015 the provisions for renewal of mining lease have been done away with for minerals except coal and lignite.

To obviate disruption in supply of ore and to ensure regular supply of raw material to the industry, transitory provisions for extension of existing mining leases have been provided in section 8A of the MMDR Amendment Act, 2015. Sub-sections (5) and (6) of section 8A has provisions which provide that period of mining leases granted before 12th January, 2015 will be deemed to be extended till the following period, whichever is later:

- (i) 31st March, 2030 in case mineral is used for captive purpose, or 31st March, 2020 in case mineral is used for other than captive purpose;
- (ii) completion of renewal period;
- (iii) fifty years from date of grant of mining lease.

(e): Yes Madam. As per sub-section (2) of section 8A introduced through the MMDR Amendment Act, 2015, on and from the date of the commencement of the MMDR Amendment Act, 2015 all mining leases shall be granted for the period of fifty years. Further, as per sub-section (3) of section 8A all mining leases granted before the commencement of the MMDR Amendment Act, 2015 shall be deemed to have been granted for a period of fifty years.

In addition to this, sub-section (5) and (6) of section 8A provide for extension of the tenure of mining leases beyond a period of 40 years, details of which have been given above.

